

TRUST ESTATES NOW MUST PAY INCOME TAXES

Federal Internal Revenue Department
Announces Regulations
Affecting Hawaii Interests

FIDUCIARY AGENCIES
ARE HELD RESPONSIBLE

Individual Beneficiaries As Well
As Estates As Whole Come
Under Rules

J. F. Haley, collector of internal revenue, yesterday made public the following amendment to the regulations of his department, requiring the returns and tax payments of fiduciaries under trust estates. Mr. Haley said:

"These amended regulations are of particular interest down here, as there is no other city of the population in the country, I believe, where there are so many trust estates as in Honolulu. These amendments affect them all."

The amendments follow:

"Guardians, trustees, executors, administrators, agents, receivers, conservators, and all persons, corporations, or associations acting in any fiduciary capacity, hereinafter referred to as fiduciary agents, who hold in trust an estate of another person or persons, shall be designated the 'source' for the purpose of collecting the income tax, and by filing returns with other debtors or withholding agents said fiduciary shall be exempt from having any income, due to them as such, withheld for any income tax by any other debtor or withholding agent. Other debtors or withholding agents upon receipt of such notice shall not withhold any part of such income from said fiduciary and will not in such case be held liable for income tax on the income so withheld. The form of notice to be filed with the debtor or withholding agent by fiduciary will be on form 1015. Where such exemption is not claimed notice thereof on form 1019 shall be filed with the withholding agent; provided, that form 1019 can not be used when the income affected is payable by the fiduciary to the beneficiary who would not be liable under the statute for income tax if such income were payable to such beneficiary directly."

Let us see March 1.

"Fiduciaries shall, on or before March 1 of each year, make and render a return, in form prescribed by the commissioner of internal revenue, of the income coming into their custody or control and management from each trust estate when the annual interest of any beneficiary in the income of said trust estate subject to the normal tax in excess of \$100,000, distributed by the undistributed income of the estate (as an entity or beneficiary in and of itself for tax purposes), consisting of income from dividends of corporations and other income (or of dividends alone), shall exceed \$100,000. In such cases the income shall be reported as a beneficiary of the undistributed income."

"Notice of failure to file a return as required shall be served upon the fiduciary by the collector of internal revenue."

"The return on the first page of form 1041, in column three, headed 'Beneficiaries,' interest in amount reported on line five, whether distributed or not, should not include their respective shares of income derived from dividends on the stock or from the net earnings of corporations, joint stock companies, etc., subject to like tax, or the income on which the normal tax has been distributed, withheld, or otherwise paid by the debtor or withholding agent. These two items should be treated as deductions in determining the amount of income subject to the normal tax and for which the fiduciary is withholding agent is to account."

Trust Estates Affected

"The income of trust estates, in any other income, is subject to the income tax. When such income is received annually by a beneficiary of an estate the fiduciary will withhold the normal tax due and subject to withholding by him. Any part of the annual income of trust estate not so withheld, or not so withheld, and as such is liable for the normal and additional tax, which must be paid by the fiduciary. When the beneficiary is not in case and the income of the estate is retained by the fiduciary, such income will be taxable to the estate as a beneficiary and the fiduciary will pay the normal and additional tax. When the beneficiary receives a part only of the income to which he is entitled from the estate and the balance is retained by the fiduciary the normal tax will be withheld on the income paid to the beneficiary and the amount of such income retained by the fiduciary will be treated as income taxable to the estate for both the normal and additional tax, which tax will be paid by the fiduciary. When the gross net income not distributed and remaining in the hands of a fiduciary exceeds \$100,000 such income is subject to both the normal and additional tax, and the estate will be liable for such tax, and both the normal and additional tax will be paid by the fiduciary."

In all cases where fiduciaries act for minors or other incompetents they are held, for the purpose of the income tax, to be acting as the agents of such minors and other incompetents and must pay all tax (normal and additional) chargeable on such income in their hands as though the persons for whom they act were acting for themselves."

Income of Some Persons

Who is the richest man in these islands?

Brides-Elect Seek Proof of Birth But It Cannot Be Found

Hence Wedding Bells Will Not
Ring in Europe For Hawaiian-Born Girls

Three cases brought to light in the bureau of vital statistics of the territorial board of health here yesterday all go to prove that failure of parents properly to register the birth of their children at the proper time may in after years cause considerable trouble to children.

"Now, I'll tell you two very interesting cases in point," said "Chip" Charlack, chief sanitary officer of the board of health, who happened to be in the office yesterday.

There are two Hawaiian-born girls in Europe who want to get married and can't do so because they can't show documentary proof of where and when they were born. One is in Germany and the other in France—Paris. Both have written here for the desired certificates, but we can't find any record in this office. We know persons here who are sure these girls were born in these islands, but proof of this kind won't go in with Europe.

"Both girls have advised us that they must have their birth certificates, otherwise the law over there will not consider them both at all, and you probably know, unborn girls can't get married."

These were not the only cases discovered yesterday. Another request for a birth certificate comes from Wales.

"It was born in Hawaii in 1885 and am an American citizen, but I can't prove it here," writes Frank Brooks of 30 Wells street, Canton, Cardiff, Wales. The British authorities demand proof of my Hawaiian-American birth and they won't take anything for granted short of documentary evidence. My parents—father and mother—died while I was very young. All I know is that I was born somewhere in Hawaii and I don't come through with the real proof. It will be 'somewhere in France' for me."

ABANDON HOPE FOR JAPANESE STEAMER

Takata Maru Lost in Crash With
American Vessel

(Special Telegram to Special Mail)

TOKIO, February 3.—There is no hope of saving the Nippon Yusen Kaisha steamer Takata Maru, in collision with the American steamer Silver Shell off Cape Race, according to advices received here. She had a crew of sixty, but no survivors.

TAKATA MARU CALLED HERE

There is no thought of movement between London and New York, which accounts for the lack of cargo in the Takata Maru.

The ship was built here August 6, 1914, by the Nippon Yusen Kaisha, Ltd., of Tokyo, Japan. It was a cargo ship, 10,000 tons, with a crew of 60. It was on its way from London to New York when it was wrecked off Cape Race, Newfoundland, on January 27, 1916. The ship was carrying a cargo of 8,000 tons of iron and steel. It was the second serious loss the N.Y.K. has had recently. The Yasa Maru, torpedoed in the Mediterranean, was of that line.

GRAND SON OF SHIBUSAWA
WILL ARRIVE HERE SOON

(Associated Press by Federal Wireless.)

SAN FRANCISCO, February 3.—S. Hozumi, son of Dr. C. Hozumi, honor professor of Imperial University in Japan, will arrive in Honolulu on the Shinyo Maru February 11. S. Hozumi is a grandson of Baron E. Shibusawa, the noted Japanese financier who visited Hawaii recently. The young man has been studying law in Europe and America. During his life at the Imperial University he was an honor student, winning the grand prize for scholarship in his class. His father is acknowledged to be the leading authority on law in Japan.

landed. Collector Haley knows, as that is part of his business, but he won't tell anybody except his chief clerk, Ralph Johnson, and Johnson is just as communicative as a clam. Both admit, however, that there is one person—man or woman, they will not say—who has an income "in excess of \$100,000."

There are dozens, of course, whose incomes range for taxation purposes, as high as seven, eight, ten, even fifteen thousand dollars, and not a few who cash in yearly to the tune of \$25,000 or \$30,000, but there is only one whose income passes the \$100,000 mark.

In all there were 799 persons who paid a tax on incomes in excess of \$100,000 in 1915. Sixteen paid a tax on incomes above \$200,000; the point where the surtax starts; twelve paid on incomes between \$200,000 and \$300,000; and fifteen on \$300,000; ten between \$400,000 and \$500,000; and seven on incomes between \$500,000 and \$750,000, while three went above that last figure, but were under the \$1,000,000 mark.

PINE PACK GROWS HUNDRED THOUSAND CASES, SAYS DOLE

Cut in Acreage Planted To Fruit
Proves of Benefit To Local
Canners

OVERPRODUCTION ENDS
AND PROFITS IN SIGHT

Trade With Britain Increased
One-Third, Reports President
of Company

Although the pineapple planters of the Territory suffered from an adverse season last year the Hawaiian Pineapple Company reports a profitable twelve month. This was the salient fact which stood out of the report read at the annual meeting of the company yesterday by James D. Dole, president.

The following officers were re-elected for the coming year: James D. Dole, president; Henry M. von Holt, vice-president; K. E. Barnes, secretary-treasurer; L. E. Arnold, J. L. Whitmore, W. H. McInerney and A. L. Castle, directors.

See Profits Ahead

The report of President Dole showed a good year for the company although the planters of the Territory had had a hard time. It was predicted that the canners, who for the past two years had had a very hard time on account of an overproduction and a correspondingly low price of the preserved article, will soon be able to see their way clear to profits worth while, as a great deal of the area formerly planted to pines had been abandoned.

The pack for the present year is estimated to be not more than a million and a half cases where last year it reached 1,950,000.

On account of the great area planted in 1913 and 1914 by outsiders the Hawaiian Pineapple Company had reduced its acreage and bought from the planters. Its production of fresh pines had been 2344 tons less than the year previous. The increase in the year's pack of 100,000 cases, came from the outside planters.

The report continues:

"The Koolan Fruit Company, Ltd., the stock of which is all owned by this company, sold during the year 7248 tons of fruit as against 6035 tons in 1915. It has reduced its indebtedness to this company from \$136,115.27 at December 31, 1915, to \$97,054.76 at December 31, 1916."

German Trade Stopped

"We are still unable to resume our business with our German customers, but contrary to our expectations, our business with Great Britain and France has increased during the year 33 1/3 per cent over 1915, and this in spite of the increase in freight charges from San Francisco to British ports from forty shillings before the war to from forty before the war to from one hundred shillings to one hundred thirty-five shillings per long ton."

"Something over a year ago we concluded to employ an expert chemist with a view to working up by-products, improving the quality and uniformity of the syrup used on our canned goods, and at the present time is carrying out a study of certain chemical problems on the plantation and in general securing a more scientific control over our packing. The results have fully justified the inauguration of this department, and it is to be hoped that further gains may result from it in the future."

"Are there may be stockholders who are not familiar with the Hawaiian Pineapple Packers' Association and its workings, I will say that this association now comprises in its membership all of the packers. It is a voluntary association supported by the pro rata contributions of its members. It has attempted to control over prices of the syrup used on the Hawaiian Pineapple and with considerable success, particularly in the year 1915. It handles various matters of interest to the pineapple industry and in particular during the last year and a half has been, and at the present time is carrying out, thanks to the cooperation of the Hawaiian Sugar Planters' Association, in conjunction with the Hawaiian Sugar Planters' Experiment Station, various experiments along the lines of breeding new varieties, fertilizer experiments, the control of insects and other things. There are now 276 stockholders in this company."

BODY OF CHILEAN ENVOY
IS ABOARD KIYO MARU

Minister de Herbozo Died During
Japanese Coronation Fetes

Passengers in the T. K. K. steamer Kyo Maru, here yesterday from the Orient, it is said at noon today for Hilo, San Francisco and South America, are the relatives of Senor de Herbozo, minister of Chile to Japan, who died during the Japanese coronation festivities.

His widow, Maria G. de Herbozo, his daughter, America Barrios, his sister, Mercedes H. de Echaurren, and his sister's daughter, Maria Olga Echaurren, are bound for Chile.

The body of the dead diplomat is being taken back to Chile for burial. A large crowd, which included officials and prominent Japanese and Chileans, saw the steamer off at Yokohama.

LUSITANIA SITUATION
AGAIN BELIEVED GRAVE

(Associated Press by Federal Wireless.)

FRANKFORT, February 3.—Frankfurter Zeitung today comments significantly on the latest developments in the Lusitania situation. The Zeitung says that it cannot be ignored that the negotiations have taken an unsatisfactory form.

WILDER LAUNCHED HEAVY BROADSIDE AGAINST PINKHAM

Former Supreme Court Justice
Formally Declares War To
Teeth On Governor

FILES WITH CHIEF EXECUTIVE
SERIES OF DIRECT CHARGES

Accuses Him of Saying Things
That Are Not and Violating
Statutes

A declaration of war to the teeth has been launched against Governor Pinkham by Judge A. A. Wilder, following a series of notes, warnings and ultimatums. The former associate justice of the supreme court, and the man frequently mentioned and boasted as the successor to Governor Pinkham, should the latter shed the mantle of high authority, has filed with the governor a series of direct charges, using the shorter and uglier word, and has challenged the chief executive of the Territory to meet him in open court, in a libel suit or in any other way the governor may choose.

However, the governor announces that he is "too proud to fight," and declines either to accept Judge Wilder's challenge or to discuss the allegations, his rival for the governorship has made. He likewise declined to make public the text of Judge Wilder's letter.

The letter of the judge is, to put it mildly, a pointed one. He accuses the governor of saying the thing that is not and naming himself, O. K. Quinn and Joseph Lightfoot as ready and able to prove it.

He accuses the governor of illegal exercise of power in demanding and receiving undated resignations "from persons appointed to office by you," and also revives a former charge that the governor is illegally permitting the expenditure of public funds "in paying the expenses of Charles R. Forbes, superintendent of public works, and as forth, from Honolulu to Washington and totum."

Libel Suit Is Invited

After making these charges "as public as possible," Judge Wilder concludes:

"Notwithstanding your playful remarks about paying no attention to my letters, I now notify you that I am ready to meet you on the foregoing charges before a jury of the country in a libel suit, or otherwise, as you may be advised by Wallace R. Harrington, who has been in the Territory more than any other who is responsible for your appointment as governor, and hence, your political, social and domestic, a one-time violent and partisan Republican from the state of Maine and at present a 'close harmony' advocate of a 'new Progressive' that is not but not one of our political associates or associates you may have."

Letter Replies in File

Governor Pinkham admitted yesterday that he had received Judge Wilder's declaration of war. He declined to discuss it, however, and likewise declined to permit a copy to be taken for publication.

"Judge Wilder's letter has been received and placed on file. Beyond this, no attention will be paid to it whatsoever," he said.

OHU LOAN FUND FACES
DEFICIT OF THOUSANDS

Chairman Forbes Warns Commission That Expenditures Are Excessive

The funds of the Oahu Loan Fund Commission are running short by thousands of dollars, declared Charles R. Forbes, superintendent of public works and ex-officio chairman of the commission, at the first meeting held by that body since his return from the mainland.

The original estimates for the work in hand have been exceeded by several thousand dollars, said Forbes. The Pumping plant extension and the Kakaako pumping plant were cited as illustrations. The pumping plant has gained \$15,200 over the first estimates and the sewer extension something like \$6000. Forbes told the commission that he did not believe the municipality can do things as cheaply as it can have them done by contract.

EDWARD E. BODGE QUILTS
SEAT ON HARBOR BOARD

Edward E. Bodge yesterday resigned his post on the harbor board, giving as his reasons press of other work and lack of time to satisfactorily perform the duties of the position. No selection of his successor has been made as yet, although it is reported that Governor Pinkham is considering several names.

WAGE RATES RAISED

(Associated Press by Federal Wireless.)

PHILADELPHIA, February 4.—Five hundred employees of the Cramp shipyard and the L. P. Morris, a subsidiary concern, have been given a ten percent raise in their hourly wage rates.

Honolulu Stock Exchange

Thursday, February 3, 1916.

Name of Stock	Last Sale	Bid	Asked
Mercantile			
Alexander & Baldwin	240		
Brewer & Co.	325		
Sugar			
Ewa Plantation Co.	28 1/2	28 1/2	29 1/2
Kaiko Sugar Co.	20 1/2	20 1/2	21 1/2
Hawaiian Agr. Co.	300		
Hawaiian Com. Sug. Co.	44	44	44 1/2
Hawaiian Sugar Co.	38 1/2	38 1/2	39 1/2
Honolulu Sugar Co.	5 1/2	5 1/2	5 3/4
Honolulu Sugar Co.	17 1/2		18 1/2
Hutchinson Sug. Co.	54		
Kahuku Plant n Co.	19	18	18 1/2
Kekaha Sugar Co.	17 1/2		
Kolon Sugar Co.	155	153	
McBryde Sugar Co.	10		10 1/2
Oahu Sugar Co.	30 1/2	30 1/2	31
Ola Sugar Co.	13	13 1/2	13 1/2
Onomes Sugar Co.	47 1/2	47 1/2	47 3/4
Panama Sugar Co.	24		
Pacific Sugar Mill	70		
Paia Plant n Co.	20 1/2	20 1/2	
Pepee Sugar Co.	150		
Pioneer Mill Co.	36 1/2	36	36 3/4
San Carlos Mill Co.	8 1/2		
Wailua Agr. Co.	29 1/2	29 1/2	29 3/4
Wailuku Sugar Co.	160		

MARINE INTELLIGENCE
By Merchants' Exchange

ARRIVED

Str. Mauna Kea from Hilo, 7 a. m.
Str. Matsonia from San Francisco, 8 a. m.
Str. Great Northern from Hilo, San Pedro and San Francisco, 10 a. m.
Str. Maui from Kaula, 6 a. m.
Str. Claudine from Maui, 4:40 a. m.
Str. Likiep from Kaula, 9:10 a. m.
Str. Kiyo Maru from Yokohama, 5 p. m.
Schr. Mokoli from Koolau ports, 4:45 p. m.

DEPARTED

Tug Intrepid and barge Bennington for Pearl Harbor, 5:45 a. m.
Str. Mauna Kea for San Francisco, 4:20 p. m.
Str. Keatrel for Fanning Island, 4:40 p. m.
Str. Kinai for Kaula, 5:10 p. m.
Str. Mikahala for Maui and Molokai, 5:15 p. m.
Str. Wailale for Hawaii, 5:30 p. m.
Str. W. G. Hall for Kaula, 6:05 p. m.
Str. Tambo for Astoria, 7:45 p. m.
Str. Mauna Kea for Hilo, 10 a. m.
Str. Kongosan Maru for San Francisco, 2:45 p. m.
Str. Niihau for Hawaii, 5:20 p. m.
U. S. S. Alert and K-class submarines for Pearl Harbor, 9:30 a. m.
Str. Maui for Kaula, 5:10 p. m.
Str. Matsonia for Hilo, 5:30 p. m.

PASSENGERS ARRIVED

By str. Mauna Kea, Feb. 1.—Hilo: Charles R. Forbes, A. C. Wheeler, S. E. Johnson, B. E. Metcalf, and wife, W. J. Wells and wife, J. H. Lynch and wife, Mrs. Emory, J. G. Clarke, Miss Emory, J. B. Yates, L. P. Scott, W. M. Giffard, George Potheringham, K. T. Blum, William West, Mrs. R. S. Spencer, J. C. Evans, O. L. Sorenson, Theo. Martin, Miss K. Ollis.
Lahaina: J. L. Cornwell, H. Gooding Field, Capt. C. S. Lincoln, Brig-Gen. S. Johnson, D. W. Driscoll, D. L. Austin, J. L. Fleming, Y. Fukunaga, T. C. Ree, F. K. Burnham, J. Jump, C. Smith and wife.
Per str. Maui from Kaula, Feb. 2.—Miss Helen Poeppel, P. G. Riley, G. C. Plankington, C. E. Bosler and G. B. Acou.
By str. Claudine from Maui, Feb. 2.—J. Robertson, C. Yamamoto, J. De Rigo, R. M. Allen, Mr. and Mrs. M. C. King, C. E. Young, G. K. Harrison, Mrs. H. C. Sheldon, Mrs. M. Sheldon, Mrs. R. Sheldon, J. C. Toss Jr., Mr. and Mrs. H. A. Milken, M. E. Griffin, Mr. and Mrs. W. L. Mappes, Master M. Crawford, Mr. and Mrs. H. P. Wood and twenty-eight deck passengers.

PASSENGERS DEPARTED

By str. Mauna Kea for Kona-Kau ports, Feb. 1.—Hilo: Bishop Restarick, P. E. Greenwell, Mrs. E. C. Greenwell, M. A. Nicall, Miss Hayes, K. Y. Yamamoto, S. Fujimoto, Mrs. Shunoda, S. Shunoda, Miss A. McGuire, Mrs. J. McGuire, Miss Clara Lowe, T. Oka, Mrs. M. Mistrato.
By str. Kinai for Kaula, Feb. 1.—F. Gay, P. M. Church, Mrs. H. Kennedy, A. J. Benter, R. H. Warral, A. Menefoglio, Henry Ho, Mrs. J. Souza, H. Isenberg, D. M. Murluck, Mr. and Mrs. J. D. Cook, Miss Mary Becker, C. H. Dye, H. Hiyomoto, Mrs. R. N. Boyd.
By str. Mauna Kea for San Francisco, Feb. 1.—Mr. and Mrs. Temple Bourke, Mrs. A. E. Brune, Miss Alice Brune, H. W. Brune, A. E. Brune Jr., Mr. and Mrs. M. Q. Fong, Miss I. M. Harris, M. P. Matkos, Mr. and Mrs. E. R. Metcalf, Mr. and Mrs. L. G. Platt, B. T. Platt, H. G. Platt Jr., Mrs. R. E. Rombauer, Miss B. E. Rombauer, F. S. Rowan, Miss M. Sewell, J. J. Sam, Miss A. R. Thompson, Mrs. E. L. Tufts, Miss M. Tufts, Mrs. E. N. Young, Master Young, Mr. and Mrs. M. H. Zornig.
By str. Mauna Kea for Hilo, Feb. 2.—Mrs. H. Glade, Miss Glade, Master Glade and maid, J. S. Sinclair, H. W. Camp, R. F. Engle, Mr. and Mrs. C. W. Givins, Mrs. H. H. Renton, E. A. Ross, L. C. E. Young, E. Ahnee, Sam Pukulu, Mrs. J. D. Lindsay, Charles L. Hall, Mrs. H. E. Cooper, Miss F. M. Whitmore, E. W. Heilmann, R. C. Walker, Dr. F. Taylor, Miss Sakaki, T. Tanaka, Mrs. A. Kautali.

88th Analysis Beets—(No advices.)
Parity
96-Cent (for Haw. Sugar) 4.765.

**GERMANS ARE PLANNING
GREAT NEW OFFENSIVE**

Military Critics and Observers
With Allies Predict Drive

(Associated Press by Federal Wireless.)

LONDON, February 3.—Military critics and observers writing in the newspapers express the conviction that the Germans are planning a great new offensive movement to cut through the Allies' line to the Channel ports.

They say that the Germans are getting ready to launch a heavy attack on a large scale against the left wing of the Allies. It is expected that the T. S. ons will try to blast their way through the Allies' entrenchments to Calais and Dunkirk, with strong infantry forces and enormous masses of artillery supporting the blasting operations.

There is now notable artillery activity in the Franco-Belgian front, particularly in the vicinity of Neuville. The Germans have occupied two English mine craters near Halluin, according to despatches from Berlin.

**VOTE ON PHILIPPINES
MEASURE IS DUE TODAY**

(Associated Press by Federal Wireless.)

WASHINGTON, February 4.—The final vote upon the Philippine bill, as amended by a majority of one in the senate, on Wednesday to fix a maximum limit of four years upon the farthest American possession of the archipelago, will be taken today.

VOTE WILL CARRY BILL

In all probability this vote will be unaccompanied by debate and will carry the bill through. The fight against the measure has been strong in committee and in the senate on the various amendments proposed. The vote today cannot be expected to find the opposition to the measure as a whole greater than it was to the Clarke amendment, when the senate divided equally and Vice-President Marshall gave the casting vote.